borrowers in USA and some unknown officers of the Bank and private parties, misused his official position and granted various credit facilities by exceeding his delegated authority and without making required credit assessment including pre-sanction inspection/post-sanction inspection. Further, the financial status of the borrowers was also not ascertained.

(e) The High Level Committee set up by Reserve Bank of India, at the instance of Government of India to enquire into various aspects relating to frauds and malpractices in banks, have made a number of recommendations in regard to checking incidence of frauds in advances portfolio of the banks. The Banks have been advised to implement the recommendations of the Committee in this regard which inter-alia, call for obtaining adequate and comparative financial statements, details of the project, confidential reports on the borrowers and proper appraisal of the loan proposals before sanctioning the credit facilities.

The Banks have also been advised to set up Internal Loans Review Department to evaluate the quality of credit portfolio and report on the health portfolio directly to the Board at periodical intervals.

The Banks have been advised to lay stress on the technical competence of the officials in evaluating the loan proposals.

News item regarding opium war

5418. SHRI PRAMOD MAHAJAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn towards a news item under the caption 'opium war' published in Sunday, the 27th March, 1994; and

(b) if so, what steps Government are taking against this onslaught of Pakistan?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) Yes, Sir.

(b) Some of the steps taken by the Government to curb drug trafficking are as under:—

1. All law enforcement agencies under the Central and State Governments have been instructed to maintain utmost vigil against trafficking of drugs from across the Indo-Pak border.

2. Specialised training is being imparted to field officers to improve their capabilities of combating drug trafficking.

3. Vehicles and equipments procured under UNDCP assistance programme have been provided to enforcement agencies operating on the border areas.

4. A part of Indo-Pak border has been fenced.

5. Field level contact points in all Central and State Government enforcement agencies have been established to promote interagency cooperation in enforcement work.

6. Coordination meetings are being held regularly at the Central and State levels to review the working of enforcement agencies and to exchange intelligence on drug trafficking.

7. BSF and the Coast Guard who are deployed on the land and coastal border have been vested with the powers under the Customs Act to interdict narcotic drugs in addition to the Central and State Government enforcement agencies empowered under NDPS Act.

Appointment of Auditors for Public Sector Banks

5419. SHRI B. K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Reserve Bank of India's rules and regulations regarding appointment of Central Statutory auditors for public sector banks are being flouted by firms of Chartered Accountants?

(b) whether such appointment are made on the sole criterion that there should be at least four partners in such a firm;

(c) whether Government are aware that such firms, apart from meeting the 'quantum of partners' criterion, do not have the requisite